



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2007  
OF THE CONDITION AND AFFAIRS OF THE

Health Alliance Plan of Michigan

NAIC Group Code	1311	1311	NAIC Company Code	95844	Employer's ID Number	38-2242827
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health [ ]      Property/Casualty [ ]      Dental Service Corporation [ ] Vision Service Corporation [ ]      Other [ ]      Health Maintenance Organization [ X ] Hospital, Medical & Dental Service or Indemnity [ ]      Is HMO, Federally Qualified? Yes [ X ] No [ ]					
Incorporated/Organized	06/27/1978		Commenced Business	02/08/1979		
Statutory Home Office	2850 West Grand Boulevard			Detroit, MI 48202		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	2850 West Grand Boulevard		Detroit, MI 48202		313-872-8100	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	2850 West Grand Boulevard			Detroit, MI 48202		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	2850 West Grand Boulevard		Detroit, MI 48202		248-443-1093	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Internet Website Address	www.hap.org					
Statutory Statement Contact	Dianna Ronan CPA			248-443-1093		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	dronan@hap.org			248-443-8610		
	(E-Mail Address)			(Fax Number)		
Policyowner Relations Contact	2850 West Grand Boulevard		Detroit, MI 48202		313-872-8100	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number) (Extension)	

OFFICERS

Name	Title	Name	Title
Francine Parker	President and CEO	Maurice E. McMurray	Secretary
Ronald W. Berry	Treasurer	Colleen McClorey	Assistant Secretary

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Nicholas C. Anderson	Mary Beth Bolton M.D.	Mary E Bunn	William A. Conway M.D.
Dennis H. DePaulis	Mary C. Dickson	John T. Gargaro	Jethro Joseph
Jackie Martin	Francine Parker	William L. Peirce	Carol Quigley IHM
Catherine A. Roberts	Robin Scales-Wooten	Nancy Schlicting	Gerald K. Smith
Rebecca R. Smith	Susan Wells	Karen Wezner #	

State of Michigan  
County of Wayne SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Francine Parker President and CEO	Maurice E. McMurray Secretary	Ronald W. Berry Treasurer
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Subscribed and sworn to before me this  
day of ,

Roderick Irwin Curry, Notary  
August 14 2013

- a. Is this an original filing? Yes [ X ] No [ ]
- b. If no,

1. State the amendment number

2. Date filed

3. Number of pages attached

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
Health Alliance Plan of Michigan

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....			0	0
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	130,930,790		130,930,790	128,653,501
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	2,781,995	1,920,340	861,655	883,493
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ ..... (6,947,237) ), cash equivalents (\$ ..... 49,565,644 ) and short-term investments (\$ ..... 154,101,073 ) .....	196,719,481		196,719,481	171,219,931
6. Contract loans, (including \$ ..... premium notes)			0	0
7. Other invested assets .....	65,166,558	0	65,166,558	63,056,652
8. Receivables for securities .....			0	0
9. Aggregate write-ins for invested assets .....	971,695	0	971,695	871,238
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	396,570,519	1,920,340	394,650,178	364,684,814
11. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
12. Investment income due and accrued .....	1,453,600		1,453,600	1,190,984
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	33,116,308		33,116,308	19,289,034
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
13.3 Accrued retrospective premiums .....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....			0	0
14.2 Funds held by or deposited with reinsured companies .....			0	0
14.3 Other amounts receivable under reinsurance contracts .....			0	0
15. Amounts receivable relating to uninsured plans .....			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
16.2 Net deferred tax asset .....			0	0
17. Guaranty funds receivable or on deposit .....			0	0
18. Electronic data processing equipment and software .....	14,541,971	13,711,404	830,566	794,201
19. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	1,582,478	1,582,478	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
21. Receivables from parent, subsidiaries and affiliates .....	960,700		960,700	1,256,619
22. Health care (\$ ..... 4,298,622 ) and other amounts receivable .....	4,298,622		4,298,622	6,071,146
23. Aggregate write-ins for other than invested assets .....	13,132,391	12,242,107	890,284	689,250
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	465,656,588	29,456,329	436,200,258	393,976,048
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
26. Total (Lines 24 and 25)	465,656,588	29,456,329	436,200,258	393,976,048
<b>DETAILS OF WRITE-INS</b>				
0901. Rabbi Trust .....	971,695		971,695	871,238
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	971,695	0	971,695	871,238
2301. Other Receivables .....	90,100		90,100	68,344
2302. Deferred Compensation .....	742,341		742,341	563,062
2303. Intangible Asset .....	2,185,578	2,185,578	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page .....	10,114,372	10,056,529	57,843	57,843
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	13,132,391	12,242,107	890,284	689,250

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
Health Alliance Plan of Michigan

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded)	102,811,341	2,380,929	105,192,270	97,911,257
2. Accrued medical incentive pool and bonus amounts .....	1,886,371		1,886,371	2,152,020
3. Unpaid claims adjustment expenses .....	964,448		964,448	857,444
4. Aggregate health policy reserves .....	5,795,613		5,795,613	4,480,009
5. Aggregate life policy reserves .....			0	0
6. Property/casualty unearned premium reserve .....			0	0
7. Aggregate health claim reserves .....			0	0
8. Premiums received in advance .....	20,177,731		20,177,731	17,777,822
9. General expenses due or accrued .....	13,765,824		13,765,824	14,284,396
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses)) .....			0	0
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable .....			0	0
12. Amounts withheld or retained for the account of others .....			0	0
13. Remittances and items not allocated .....			0	0
14. Borrowed money (including \$ .....76,711 current) and interest thereon \$ .....12,275 (including \$ .....12,275 current) .....	318,056		318,056	236,223
15. Amounts due to parent, subsidiaries and affiliates .....	346,391		346,391	606,556
16. Payable for securities .....	416,532		416,532	422,833
17. Funds held under reinsurance treaties with (\$ ..... authorized reinsurers and \$ ..... unauthorized reinsurers) .....			0	0
18. Reinsurance in unauthorized companies .....			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
20. Liability for amounts held under uninsured plans .....	6,267,321		6,267,321	4,419,257
21. Aggregate write-ins for other liabilities (including \$ ..... current) .....	11,596,949	0	11,596,949	8,475,978
22. Total liabilities (Lines 1 to 21).....	164,346,577	2,380,929	166,727,506	151,623,795
23. Aggregate write-ins for special surplus funds .....	XXX	XXX	0	0
24. Common capital stock .....	XXX	XXX		0
25. Preferred capital stock .....	XXX	XXX		0
26. Gross paid in and contributed surplus .....	XXX	XXX		0
27. Surplus notes .....	XXX	XXX		0
28. Aggregate write-ins for other than special surplus funds .....	XXX	XXX	0	0
29. Unassigned funds (surplus) .....	XXX	XXX	269,472,752	242,352,253
30. Less treasury stock, at cost:				
30.1 ..... shares common (value included in Line 24) \$ ..... ) .....	XXX	XXX		0
30.2 ..... shares preferred (value included in Line 25) \$ ..... ) .....	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30) .....	XXX	XXX	269,472,752	242,352,253
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	436,200,258	393,976,048
DETAILS OF WRITE-INS				
2101. Pension Liability - Long Term.....	9,816,538		9,816,538	6,825,803
2102. Retiree Health Benefits.....	1,038,071		1,038,071	1,087,112
2103. Deferred Compensation.....	742,341		742,341	563,062
2198. Summary of remaining write-ins for Line 21 from overflow page .....	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	11,596,949	0	11,596,949	8,475,978
2301. ....	XXX	XXX		
2302. ....	XXX	XXX		
2303. ....	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page .....	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801. ....	XXX	XXX		
2802. ....	XXX	XXX		
2803. ....	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page .....	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
Health Alliance Plan of Michigan

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	3,679,896	3,970,978
2. Net premium income (including \$ ..... non-health premium income).....	XXX	1,210,856,201	1,187,098,851
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		0
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX		0
5. Risk revenue .....	XXX		0
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	1,210,856,201	1,187,098,851
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		799,733,099	735,016,491
10. Other professional services .....			0
11. Outside referrals .....		32,305,986	31,297,177
12. Emergency room and out-of-area .....		104,583,786	92,101,737
13. Prescription drugs .....		174,989,405	220,354,289
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		1,575,351	1,926,164
16. Subtotal (Lines 9 to 15) .....	0	1,113,187,627	1,080,695,858
<b>Less:</b>			
17. Net reinsurance recoveries .....			0
18. Total hospital and medical (Lines 16 minus 17) .....	0	1,113,187,627	1,080,695,858
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$ 6,203,746 ..... cost containment expenses.....		12,054,721	13,760,463
21. General administrative expenses.....		70,502,842	71,176,859
22. Increase in reserves for life and accident and health contracts including \$ ..... increase in reserves for life only).....			0
23. Total underwriting deductions (Lines 18 through 22) .....	0	1,195,745,190	1,165,633,180
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	15,111,011	21,465,672
25. Net investment income earned .....		11,712,009	12,036,901
26. Net realized capital gains (losses) less capital gains tax of \$.....		(2,088)	(2,441)
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	11,709,921	12,034,460
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			0
29. Aggregate write-ins for other income or expenses .....	0	412,924	310,975
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	27,233,855	33,811,107
31. Federal and foreign income taxes incurred .....	XXX		0
32. Net income (loss) (Lines 30 minus 31) .....	XXX	27,233,855	33,811,107
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		0
0602. ....	XXX		0
0603. ....	XXX		0
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	XXX	0	0
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above) .....	XXX	0	0
1401. ....			0
1402. ....			0
1403. ....			0
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above) .....	0	0	0
2901. Gain/(Loss) on the Sale of Assets.....		6,716	(17,086)
2902. Miscellaneous Revenue.....		406,208	328,061
2903. ....			0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above) .....	0	412,924	310,975

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
Health Alliance Plan of Michigan

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
CAPITAL AND SURPLUS ACCOUNT:			
33. Capital and surplus prior reporting year.....	242,352,253	220,773,309	220,773,309
34. Net income or (loss) from Line 32 .....	27,233,855	33,811,107	48,891,712
35. Change in valuation basis of aggregate policy and claim reserves .....		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	(752,850)	(768,716)	(2,085,130)
37. Change in net unrealized foreign exchange capital gain or (loss) .....		0	0
38. Change in net deferred income tax .....		0	0
39. Change in nonadmitted assets .....	639,493	1,089,322	4,772,363
40. Change in unauthorized reinsurance .....	0	0	0
41. Change in treasury stock .....		0	0
42. Change in surplus notes .....	0	0	0
43. Cumulative effect of changes in accounting principles .....		0	0
44. Capital Changes:			
44.1 Paid in .....		0	0
44.2 Transferred from surplus (Stock Dividend) .....		0	0
44.3 Transferred to surplus .....		0	0
45. Surplus adjustments:			
45.1 Paid in .....		0	0
45.2 Transferred to capital (Stock Dividend) .....	0	0	0
45.3 Transferred from capital .....		0	0
46. Dividends to stockholders .....		0	(30,000,000)
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0	0
48. Net change in capital & surplus (Lines 34 to 47) .....	27,120,499	34,131,714	21,578,944
49. Capital and surplus end of reporting period (Line 33 plus 48)	269,472,752	254,905,023	242,352,253
DETAILS OF WRITE-INS			
4701. ....		0	0
4702. ....		0	0
4703. ....		0	0
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
Health Alliance Plan of Michigan

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	1,199,428,836	1,598,583,092
2. Net investment income .....	10,476,642	10,225,116
3. Miscellaneous income .....	384,452	676,751
4. Total (Lines 1 to 3) .....	1,210,289,930	1,609,484,958
5. Benefits and loss related payments .....	1,106,172,263	1,427,845,246
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	70,298,386	91,850,786
8. Dividends paid to policyholders .....		0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9) .....	1,176,470,649	1,519,696,032
11. Net cash from operations (Line 4 minus Line 10) .....	33,819,281	89,788,926
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	0	0
12.2 Stocks .....	71,864	51,358
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	81,925	129,407
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	153,789	180,765
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	0	0
13.2 Stocks .....	3,849,887	5,474,681
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	65,813	0
13.6 Miscellaneous applications .....	106,761	80,583
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	4,022,460	5,555,264
14. Net increase (or decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(3,868,671)	(5,374,499)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds .....	(32,700)	236,223
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....		0
16.5 Dividends to stockholders .....	0	30,000,000
16.6 Other cash provided (applied).....	(4,418,360)	(1,447,595)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	(4,451,060)	(31,211,371)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	25,499,550	53,203,056
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	171,219,931	118,016,875
19.2 End of period (Line 18 plus Line 19.1) .....	196,719,481	171,219,931

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. Subsidiary acquired in a business acquisition.....		603,601
20.0002. Note given for subsidiary acquired.....		343,601
20.0003. Cash paid for subsidiary acquired.....		260,000

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
Health Alliance Plan of Michigan

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION										
	1  Total	Comprehensive (Hospital & Medical)		4  Medicare Supplement	5  Vision Only	6  Dental Only	7  Federal Employees Health Benefit Plan	8  Title XVIII Medicare	9  Title XIX Medicaid	10  Other
		2  Individual	3  Group							
Total Members at end of:										
1. Prior Year .....	430,864	4,469	359,146	20,203	.0	.0	26,332	20,714	.0	.0
2 First Quarter .....	410,185	4,257	341,247	19,247	.0	.0	23,484	21,950	.0	.0
3 Second Quarter .....	409,930	4,091	340,978	19,389	.0	.0	23,466	22,006	.0	.0
4. Third Quarter .....	403,432	3,992	334,409	19,560			23,421	22,050		
5. Current Year	.0									
6 Current Year Member Months	3,679,896	37,650	3,059,158	175,243			211,475	196,370		
Total Member Ambulatory Encounters for Period:										
7. Physician .....	1,131,312									1,131,312
8. Non-Physician .....	570,218									570,218
9. Total	1,701,530	.0	.0	.0	.0	.0	.0	.0	.0	1,701,530
10. Hospital Patient Days Incurred	127,732		68,438	28,476				30,551		267
11. Number of Inpatient Admissions	27,346		16,908	4,980				5,383		75
12. Health Premiums Written .....	1,196,912,625	11,111,808	850,027,087	79,367,536			65,908,050	190,498,144		
13. Life Premiums Direct .....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned .....	1,210,856,201	11,088,641	862,976,101	79,367,536			66,925,779	190,498,144		
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services .....	1,106,172,263	10,176,529	791,990,805	67,635,327			66,536,852	169,832,750		
18. Amount Incurred for Provision of Health Care Services	1,113,187,627	10,151,585	790,049,472	69,128,137			66,838,775	177,019,658		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ .....190,498,144

## CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
Health Alliance Plan of Michigan

UNDERWRITING AND INVESTMENT EXHIBIT  
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid Dec. 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital & medical) .....	69,064,383	731,261,951	11,724,314	73,531,544	80,788,697	86,956,485
2. Medicare Supplement .....	3,222,069	64,413,258	441,739	5,162,436	3,663,808	4,111,365
3. Dental Only .....					0	0
4. Vision Only .....					0	0
5. Federal Employees Health Benefits Plan .....	4,899,064	61,637,788	566,748	4,058,964	5,465,812	4,323,790
6. Title XVIII - Medicare .....	2,420,203	167,412,547	75,578	9,630,947	2,495,781	2,519,617
7. Title XIX - Medicaid .....					0	0
8. Other Health .....					0	0
9. Health Subtotal (Lines 1 to 8).....	79,605,719	1,024,725,544	12,808,379	92,383,891	92,414,098	97,911,257
10. Healthcare receivables (a) .....					0	0
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....	1,841,000		311,020	1,575,351	2,152,020	2,152,020
13. Totals	81,446,719	1,024,725,544	13,119,399	93,959,242	94,566,118	100,063,277

(a) Excludes \$ ..... loans and advances to providers not yet expensed.

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Accounting Practices - No significant change.
- B. Use of Estimates in the Preparation of the Financial Statements - No significant change.
- C. Accounting Policy - No significant change.

### 2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

- A. Material changes in accounting principles and/or correction of errors - Not applicable.
- B. The cumulative effect of changes in accounting principles - Not applicable.

### 3. BUSINESS COMBINATIONS AND GOODWILL

- A. Statutory Purchase Method - Not applicable.
- B. Statutory Merger - Not applicable.
- C. Assumption Reinsurance - Not applicable.
- D. Impairment Loss - Not applicable.

### 4. DISCONTINUED OPERATIONS

Not applicable.

### 5. INVESTMENTS

- A. Mortgage Loans, including Mezzanine Real Estate Loans - Not applicable.
- B. Debt Restructuring - Not applicable.
- C. Reverse Mortgages - Not applicable.
- D. Loan-Backed Securities - Not applicable.
- E. Repurchase agreements - Not applicable.
- F. Real Estate - No significant change.
- G. Investments in Low-Income Housing Tax Credits - Not applicable.

### 6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

- A. The Company has no new investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. Impaired investments in Joint Ventures, Partnerships and Limited Liability Companies - Not applicable.

### 7. INVESTMENT INCOME

- A. The bases for excluding (nonadmitting) any investment income due and accrued - Not applicable.
- B. The total amount of investment income excluded - Not applicable.

### 8. DERIVATIVE INSTRUMENTS

Not applicable.

### 9. INCOME TAXES

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

No significant change.

### 11. DEBT

No significant change.

The Company does not have any reverse repurchase agreements.

### 12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

No significant change.

### 13. CAPITAL AND SURPLUS, SHAREHOLDER' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

A. The Corporation has no common stock.

B. The Corporation has no preferred stock.

C. The Corporation has no restrictions on unassigned funds (surplus).

D. The Corporation holds 1,500,000 shares of AHLIC stock with a par value of \$1,500,000 and 50,000 shares of Preferred Health Plan with a par value of \$50,000.

E. The Corporation has no surplus notes outstanding.

F. The Corporation has no quasi-reorganization to report.

G. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and (losses) is (\$4,095,000).

### 14. CONTINGENCIES

No significant change.

### 15. LEASES

No significant change.

### 16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable.

### 17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

Not applicable.

### 18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY UNINSURED PLANS

A. ASO Plans - Not applicable.

B. ASC Plans - Not applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract - Not applicable.

### 19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATION

Not applicable.

### 20. SEPTEMBER 11 EVENTS

Not applicable.

NOTES TO FINANCIAL STATEMENTS

21. OTHER ITEMS

- A. Extraordinary Items - Not applicable.
- B. Troubled Debt Restructuring - Not applicable.
- C. Other Disclosures - Not applicable.
- D. At September 30, 2007 and December 31, 2006 the Company had admitted assets of \$33,116,000 and \$19,289,000, respectively, in Uncollected Premiums. The Company routinely assesses the collectibility of these receivables. Based upon Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.
- E. Business Interruption Insurance Recoveries - Not applicable.

22. EVENTS SUBSEQUENT

Not applicable.

23. REINSURANCE

- A. Ceded Reinsurance Report - Not applicable.
- B. Uncollectible Reinsurance - Not applicable.
- C. Commutation of Ceded Reinsurance - Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

Not applicable.

25. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

Not applicable.

26. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable.

27. STRUCTURED SETTLEMENTS

Not applicable.

28. HEALTHCARE RECEIVABLES

- A. Pharmaceutical Rebate Receivables (dollars in thousands)

These rebates are calculated using historical rebate trends and membership

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days after Billing
09/30/2007	1,600	1,629			
06/30/2007	1,613	1,691	1,685		
03/31/2007	2,924	2,721	3,233	24	
12/31/2006	2,508	2,587	2,873	154	74
09/30/2006	1,568	2,661	3,073	117	93
06/30/2006	1,571	1,783	2,051	505	383
03/31/2006	1,631	1,842	2,301	26	58
12/31/2005	1,627	1,892	2,126	144	(146)
09/30/2005	1,047	1,166	1,071	366	
06/30/2005	952	1,086	986	239	
03/31/2005	937	1,154	962	22	305

NOTES TO FINANCIAL STATEMENTS

B. Risk Sharing Receivables ( dollars in thousands)

Risk sharing receivables are based on the actual financial performance of the contracted provider network for their contracted period.

Calendar Year	Evaluation Period Year Ending	Risk Sharing Recv'ble as Estimated in the Prior Year	Risk Sharing Recv'ble as Estimated in the Current Year	Risk Sharing Recv'ble Billed	Risk Sharing Recv'ble Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subseqnt	Actual Risk Sharing Amounts Received 2nd Year Subseqnt	Actual Risk Sharing Amounts Received All Other
2005	2005 2006	8,111 XXX	40 XXX		40 XXX	7,979			

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

Not applicable.

31. ANTICIPATED SALVAGE AND SUBROGATION

Not applicable.

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
Health Alliance Plan of Michigan

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? .....

Yes [ ☐ ] No [X]
- 1.2

If yes, has the report been filed with the domiciliary state? .....

Yes [ ☐ ] No [ ☐ ]
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes [ ☐ ] No [X]
- 2.2

If yes, date of change: .....

If not previously filed, furnish herewith a certified copy of the instrument as amended.
3.

Have there been any substantial changes in the organizational chart since the prior quarter end? .....

Yes [ ☐ ] No [X]

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....

Yes [ ☐ ] No [X]
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? .....

If yes, attach an explanation.

Yes [ ☐ ] No [X] NA [ ☐ ]
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2002
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....

12/31/2002
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....

05/11/2004
- 6.4

By what department or departments?  
The Michigan Office of Financial and Insurance Services.....
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?.....

Yes [ ☐ ] No [X]
- 7.2

If yes, give full information:  
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?.....

Yes [ ☐ ] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes [ ☐ ] No [X]
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
Health Alliance Plan of Michigan

GENERAL INTERROGATORIES

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?.....

Yes ☒ No ☐
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.
- 9.11

If the response to 9.1 is No, please explain:

.....
- 9.2

Has the code of ethics for senior managers been amended?.....

Yes ☐ No ☒
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).

.....
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?.....

Yes ☐ No ☒
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes ☒ No ☐
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$ .....

842,238

INVESTMENT

- 11.1

Has there been any change in the reporting entity's own preferred or common stock? .....

Yes ☐ No ☐
- 11.2

If yes, explain:

.....
- 12.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) .....

Yes ☐ No ☒
- 12.2

If yes, give full and complete information relating thereto:

.....
13.

Amount of real estate and mortgages held in other invested assets in Schedule BA: .....

\$ .....
14.

Amount of real estate and mortgages held in short-term investments: .....

\$ .....
- 15.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates? .....

Yes ☒ No ☐
- 15.2

If yes, please complete the following:

		1		2
		Prior Year-End		Current Quarter
		Book/Adjusted		Book/Adjusted
		Carrying Value		Carrying Value
15.21	Bonds .....	\$ .....	\$ .....	
15.22	Preferred Stock .....	\$ .....	\$ .....	
15.23	Common Stock .....	\$ .....25,086,617	\$ .....23,641,809	
15.24	Short-Term Investments .....	\$ .....	\$ .....	
15.25	Mortgage Loans on Real Estate .....	\$ .....	\$ .....	
15.26	All Other .....	\$ .....607,205	\$ .....745,799	
15.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26).....	\$ .....25,693,822	\$ .....24,387,608	
15.28	Total Investment in Parent included in Lines 15.21 to 15.26 above ....	\$ .....	\$ .....	

16.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB? .....

Yes ☐ No ☒

16.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? .....

Yes ☐ No ☐

If no, attach a description with this statement.

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
Health Alliance Plan of Michigan

GENERAL INTERROGATORIES

17. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? .....

Yes [X] No [ ]

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Comerica Bank NA.....	Detroit Michigan.....
Western Assets.....	Wilmington Delaware.....
The Reserve.....	New York New York.....
Janus Fund.....	Denver Colorado.....

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Not applicable.....		

17.3 Have there been any changes, including name changes in the custodian(s) identified in 17.1 during the current quarter? .....

Yes [ ] No [X]

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Not applicable.....			

17.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
Not applicable.....	Brian Gamble.....	Detroit Michigan.....
2405849.....	Kyle Logan.....	Charlotte North Carolina.....
70923.....	Calvin Johnson.....	Chicago Illinois.....
7691.....	Susan Renaud.....	Detroit Michigan.....
110441.....	Sandy Goodman.....	Pasadena California.....
1723878.....	Joe Gaskey.....	Charlotte North Carolina.....
7691.....	Paul Youngblood.....	Detroit Michigan.....
7691.....	Brian Kerber.....	Detroit Michigan.....
Not applicable.....	Janet Kosciuk.....	Columbus Ohio.....

18.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? .....

Yes [X] No [ ]

18.2 If no, list exceptions:

.....

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
Health Alliance Plan of Michigan

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	2,795,374	3,410,393
2. Increase (decrease) by adjustment .....	(576,302)	(822,606)
3. Cost of acquired .....		0
4. Cost of additions to and permanent improvements .....	562,923	207,587
5. Total profit (loss) on sales .....		0
6. Increase (decrease) by foreign exchange adjustment .....		0
7. Amount received on sales .....		0
8. Book/adjusted carrying value at end of current period .....	2,781,995	2,795,374
9. Total valuation allowance .....		0
10. Subtotal (Lines 8 plus 9) .....	2,781,995	2,795,374
11. Total nonadmitted amounts .....	1,920,340	1,911,881
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column) .....	861,655	883,493

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year.....	0	0
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions .....		0
2.2. Additional investment made after acquisitions .....		0
3. Accrual of discount and mortgage interest points and commitment fees .....		0
4. Increase (decrease) by adjustment .....		0
5. Total profit (loss) on sale .....		0
6. Amounts paid on account or in full during the period .....		0
7. Amortization of premium .....		0
8. Increase (decrease) by foreign exchange adjustment .....		0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....	0	0
10. Total valuation allowance .....		0
11. Subtotal (Lines 9 plus 10) .....	0	0
12. Total nonadmitted amounts .....		0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column) .....	0	0

SCHEDULE BA – VERIFICATION

Other Invested Assets

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	63,056,652	59,351,008
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions .....		0
2.2. Additional investment made after acquisitions .....	673,017	0
3. Accrual of discount .....		0
4. Increase (decrease) by adjustment .....	1,511,453	3,828,432
5. Total profit (loss) on sale .....	7,361	6,619
6. Amounts paid on account or in full during the period .....	81,925	129,407
7. Amortization of premium .....		0
8. Increase (decrease) by foreign exchange adjustment .....		0
9. Book/adjusted carrying value of long-term invested assets at end of current period .....	65,166,558	63,056,652
10. Total valuation allowance .....		0
11. Subtotal (Lines 9 plus 10) .....	65,166,558	63,056,652
12. Total nonadmitted amounts .....		0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3) .....	65,166,558	63,056,652

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	128,653,501	125,317,749
2. Cost of bonds and stocks acquired .....	3,849,887	5,474,681
3. Accrual of discount .....		0
4. Increase (decrease) by adjustment .....	(891,440)	(2,085,131)
5. Increase (decrease) by foreign exchange adjustment .....		0
6. Total profit (loss) on disposal .....	(2,088)	(2,441)
7. Consideration for bonds and stocks disposed of .....	679,069	51,358
8. Amortization of premium .....		0
9. Book/adjusted carrying value, current period .....	130,930,790	128,653,501
10. Total valuation allowance .....		0
11. Subtotal (Lines 9 plus 10) .....	130,930,790	128,653,501
12. Total nonadmitted amounts .....		0
13. Statement value .....	130,930,790	128,653,501

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
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SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 .....	135,414,017	356,255,280	337,568,223		42,398,417	135,414,017	154,101,073	42,460,410
2. Class 2 .....	.0				.0	.0	.0	.0
3. Class 3 .....	.0				.0	.0	.0	.0
4. Class 4 .....	.0				.0	.0	.0	.0
5. Class 5 .....	.0				.0	.0	.0	.0
6. Class 6 .....	0				0	0	0	0
7. Total Bonds	135,414,017	356,255,280	337,568,223	0	42,398,417	135,414,017	154,101,073	42,460,410
<b>PREFERRED STOCK</b>								
8. Class 1 .....	.0				.0	.0	.0	.0
9. Class 2 .....	.0				.0	.0	.0	.0
10. Class 3 .....	.0				.0	.0	.0	.0
11. Class 4 .....	.0				.0	.0	.0	.0
12. Class 5 .....	.0				.0	.0	.0	.0
13. Class 6 .....	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	135,414,017	356,255,280	337,568,223	0	42,398,417	135,414,017	154,101,073	42,460,410

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	154,101,073	XXX	154,101,073	3,894,369	

SCHEDULE DA - PART 2- VERIFICATION

Short-Term Investments Owned		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	42,460,410	13,000,000
2. Cost of short-term investments acquired .....	798,882,276	29,460,410
3. Increase (decrease) by adjustment .....		0
4. Increase (decrease) by foreign exchange adjustment .....		0
5. Total profit (loss) on disposal of short-term investments .....		0
6. Consideration received on disposal of short-term investments .....	687,241,614	0
7. Book/adjusted carrying value, current period .....	154,101,073	42,460,410
8. Total valuation allowance .....		0
9. Subtotal (Lines 7 plus 8) .....	154,101,073	42,460,410
10. Total nonadmitted amounts .....		0
11. Statement value (Lines 9 minus 10) .....	154,101,073	42,460,410
12. Income collected during period .....	3,504,088	562,452
13. Income earned during period .....	3,894,369	796,386

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S

NONE

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
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SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories									
States, Etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Is Insurer Licensed (Yes or No)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama .....	AL	No						.0	
2. Alaska .....	AK	No						.0	
3. Arizona .....	AZ	No						.0	
4. Arkansas .....	AR	No						.0	
5. California .....	CA	No						.0	
6. Colorado .....	CO	No						.0	
7. Connecticut .....	CT	No						.0	
8. Delaware .....	DE	No						.0	
9. District of Columbia .....	DC	No						.0	
10. Florida .....	FL	No						.0	
11. Georgia .....	GA	No						.0	
12. Hawaii .....	HI	No						.0	
13. Idaho .....	ID	No						.0	
14. Illinois .....	IL	No						.0	
15. Indiana .....	IN	No						.0	
16. Iowa .....	IA	No						.0	
17. Kansas .....	KS	No						.0	
18. Kentucky .....	KY	No						.0	
19. Louisiana .....	LA	No						.0	
20. Maine .....	ME	No						.0	
21. Maryland .....	MD	No						.0	
22. Massachusetts .....	MA	No						.0	
23. Michigan .....	MI	Yes	949,255,661	190,498,144	66,925,779			1,206,679,584	
24. Minnesota .....	MN	No						.0	
25. Mississippi .....	MS	No						.0	
26. Missouri .....	MO	No						.0	
27. Montana .....	MT	No						.0	
28. Nebraska .....	NE	No						.0	
29. Nevada .....	NV	No						.0	
30. New Hampshire .....	NH	No						.0	
31. New Jersey .....	NJ	No						.0	
32. New Mexico .....	NM	No						.0	
33. New York .....	NY	No						.0	
34. North Carolina .....	NC	No						.0	
35. North Dakota .....	ND	No						.0	
36. Ohio .....	OH	No						.0	
37. Oklahoma .....	OK	No						.0	
38. Oregon .....	OR	No						.0	
39. Pennsylvania .....	PA	No						.0	
40. Rhode Island .....	RI	No						.0	
41. South Carolina .....	SC	No						.0	
42. South Dakota .....	SD	No						.0	
43. Tennessee .....	TN	No						.0	
44. Texas .....	TX	No						.0	
45. Utah .....	UT	No						.0	
46. Vermont .....	VT	No						.0	
47. Virginia .....	VA	No						.0	
48. Washington .....	WA	No						.0	
49. West Virginia .....	WV	No						.0	
50. Wisconsin .....	WI	No						.0	
51. Wyoming .....	WY	No						.0	
52. American Samoa .....	AS	No						.0	
53. Guam .....	GU	No						.0	
54. Puerto Rico .....	PR	No						.0	
55. U.S. Virgin Islands .....	VI	No						.0	
56. Northern Mariana Islands .....	MP							.0	
57. Canada .....	CN							.0	
58. Aggregate Other Alien .....	OT	XXX	.0	.0	.0	.0	.0	.0	.0
59. Subtotal .....	XXX	949,255,661	190,498,144	.0	66,925,779	.0	.0	1,206,679,584	.0
60. Reporting entity contributions for Employee Benefit Plans .....	XXX	4,176,617						4,176,617	
61. Total (Direct Business)	(a) 1	953,432,278	190,498,144	0	66,925,779	0	0	1,210,856,201	0
DETAILS OF WRITE-INS									
5801. ....	XXX								
5802. ....	XXX								
5803. ....	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page .....	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above) .....	XXX	0	0	0	0	0	0	0	0

(a) Insert the number of yes responses except for Canada and other Alien.

Schedule Y - Part 1

NONE

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
Health Alliance Plan of Michigan

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplemental is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Statement be filed with the state of domicile and the NAIC with this statement?

.....SEE EXPLANATION.....

Explanation:

1.The Company offers Medicare Part D through a Medicare Advantage plan

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

MQ002 Additional Aggregate Lines for Page 02 Line 23.  
\*ASSETS

	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Prior Year Net Admitted Assets
2304. Goodwill.....	8,188,906	8,188,906	0	0
2305. Prepaid Expense.....	1,867,623	1,867,623	0	0
2306. Other Assets.....	57,843		57,843	57,843
2397. Summary of remaining write-ins for Line 23 from Page 02	10,114,372	10,056,529	57,843	57,843

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

**STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
Health Alliance Plan of Michigan**

## SCHEDULE BA - PART 1

**Showing Other Long-Term Invested Assets ACQUIRED During the Current Quarter**

[illegible]

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE  
Health Alliance Plan of Michigan

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13	14	15
		3	4											
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Book/ Adjusted Carrying Value Less Encumbrances Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book/ Adjusted Carrying Value Less Encumbrances on Disposal	Consideration Received	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
000000-00-0.....	Western Assets US Core Plus LLC.....	Wilmington.....	Delaware.....	Redeemed.....	.02/15/2005	19,514	(1,648)		17,866	19,455		1,588	1,588	135
000000-00-0.....	Western Assets US Limited Duration LLC.....	Wilmington.....	Delaware.....	Redeemed.....	.02/15/2005	14,311	(1,094)		13,218	14,598		1,380	1,380	273
3799999 - Any Other Class of Assets - Unaffiliated						33,826	(2,741)		31,084	34,053		2,969	2,969	408
3999999 – Total Unaffiliated						33,826	(2,741)	0	31,084	34,053	0	2,969	2,969	408
4099999 – Total Affiliated						0	0	0	0	0	0	0	0	0
4199999 Totals						33,826	(2,741)	0	31,084	34,053	0	2,969	2,969	408

Schedule D - Part 3

NONE

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

## SCHEDULE E - PART 1 - CASH

E08

